

**STATE OF SOUTH CAROLINA**

South Carolina Electric & Gas Company's Request  
for Approval of First Amendment to Contract for  
Electric Service with Koyo Corporation of U.S.A.

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PUBLIC SERVICE  
COMMISSION

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET****DOCKET****NUMBER:** 2014 - 100 - E

(Please type or print)

**Submitted by:** Matthew W. Gissendanner**SC Bar Number:** 76027**Address:** SCANA Corp.**Telephone:** 803-217-5359220 Operation Way, MC-C222**Fax:** 803-217-7931Cayce, SC 29033-3701**Other:** \_\_\_\_\_**Email:** matthew.gissendanner@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)☐ **Emergency Relief demanded in petition** ☐ **Request for item to be placed on Commission's Agenda expeditiously**☐ **Other:** \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



Matthew W. Gissendanner  
Assistant General Counsel

[matthew.gissendanner@scana.com](mailto:matthew.gissendanner@scana.com)

March 6, 2014

**VIA HAND DELIVERY**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company  
Request for Approval of First Amendment to Contract for Electric Service with  
Koyo Corporation of U.S.A.

Dear Ms. Boyd:

Pursuant to 10 S.C. Code Ann. Regs. 103-303 (2012), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files and seeks approval of a First Amendment to Contract for Electric Service ("First Amendment") between SCE&G and Koyo Corporation of U.S.A. ("Koyo"), with such approval to be made effective as of December 18, 2013.<sup>1</sup> The First Amendment continues for ten (10) years from the effective date, unless an early termination is mutually agreed upon by the parties. The First Amendment is automatically extended thereafter until terminated by either party.

Koyo's existing manufacturing facility in Blythewood, South Carolina, manufactures bearing hub units for automotive customers including Toyota, BMW, and General Motors. The First Amendment is related to the decision to double the size of the existing Blythewood facility to more than 500,000 square feet. The planned \$130 million investment is anticipated to create 175 new jobs.

Due to the commercial sensitivity and proprietary nature of certain provisions of this First Amendment as well as the highly competitive nature of the industry in which Koyo operates, the Company and Koyo respectfully request that the Public Service Commission of South Carolina ("Commission") find that the First Amendment contains protected information and issue a protective order barring the disclosure of this First Amendment under the Freedom of

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<sup>1</sup> SCE&G and Koyo entered into a Contract for Electric Service effective March 6, 2007, for the provision of electric service to Koyo's facility in Blythewood, South Carolina. That Contract for Electric Service did not require approval by the Public Service Commission of South Carolina.

Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 10 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to 10 S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the First Amendment that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted First Amendment in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted First Amendment, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the First Amendment from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original First Amendment in a sealed envelope marked "CONFIDENTIAL." Each page of the First Amendment is also marked "CONFIDENTIAL."
- (2) Ten (10) copies of a redacted copy of the First Amendment for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the First Amendment for its records. Additionally, SCE&G will make the original, unredacted copy of the First Amendment available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



Matthew W. Gissendanner

MWG/mcs  
Enclosure

cc: Jeffrey M. Nelson, Esquire  
John Flitter  
Leigh Ford  
(via hand delivery)

FIRST AMENDMENT TO  
CONTRACT FOR ELECTRIC SERVICE  
(CONTRACT # E0207015)

RT

ORIGINAL

This First Amendment to Contract for Electric Service ("First Amendment") is made and entered into effective DECEMBER 18, 2013 ("Effective Date") by and between South Carolina Electric & Gas Company (the "Company" or "SCE&G") and Koyo Corporation of U.S.A. (the "Customer").

This original  
to be returned  
to SCE&G Company

RECITALS

A. Company and Customer entered into a Contract for Electric Service effective March 6, 2007 (the "Original Contract") for the provision of electric utility service to a plant located at 1006 Northpoint Boulevard, Blythewood, SC 29016-8371 ("Premises").

B. Customer has requested and Company has agreed to make certain changes in the Contract.

C. The Original Contract and this First Amendment, together with any documents expressly incorporated in the Original Contract or this First Amendment, are referred to herein collectively as the "Contract." The Contract constitutes the sole and entire agreement between the parties and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the same services.

Now, therefore, for and in consideration of the mutual promises contained herein, the parties, intending to be legally bound, agree as follows:

AGREEMENT

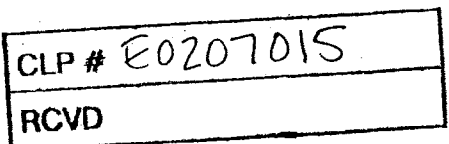
1. The recitals set forth above are an integral part of this First Amendment. All defined terms used in this First Amendment shall have the same meaning as in the Original Contract unless otherwise specified.

2. This amendment has an initial term of ten (10) years. Extensions and Notice of Termination remain as specified in the Original Contract.

3. The Contract Demand is increased from 3,000 kW to 5,085 kW and the Contract Capacity is increased from 12,500 kVA to 19,000 kVA. The Customer has committed to make an estimated \$130,000,000 expansion at its Blythewood facility. Customer has projected an estimated load increase of 4,170 kW which will require Company to install 6,500 KVA of additional transformer capacity ("Expansion Load") to Company's system as defined in paragraph 6 below. Customer has requested new service to support the estimated load. The increase of 4,172 kW required for this expansion requires an increase in the Contract Demand. The Contract Demand will be increased by one-half of this amount or 2,085 kW. Consequently, the new Contract Demand shall be increased from 3,000 kW to 5,085 kW.

4. The Assignment provision, set forth on Page 3 of the Original Contract, is deleted in its entirety and replaced with the following:

**Assignment:** Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.





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5. The "Facility Charges," "Contract Demand" and "Coincidental Peak Billing" provisions, set forth in Section II., Special Conditions of the of the Original Contract, are deleted in their entirety and replaced with the following:

**Facility Charge #1:** In consideration of the Company's investment in excess facilities (service point numbers 3, 4 and 5 (now designated as D,E & F)) and the expense incurred in owning, operating and maintaining the same, Customer agrees to pay the Company a monthly facility charge of [REDACTED] for the excess investment and expense incurred by Company. (The excess investment is hereby agreed to be [REDACTED]) The facility charge rate is subject to change from time to time, but not more often than once a year based on Company's related cost factors. The base on which the facility charges is calculated is subject to change with a corresponding change in the current value of any covered units of capital in the event of a required replacement of major components. This charge shall be in addition to all other sums due under this contract.

**Facility Charge # 2:** Customer has requested and Company has agreed to install two (2) additional 2,500 kVA (23 kV to 480 Volts) transformers beyond what is needed to serve Customer's increased load requirement of 4,172 kW. These extra Transformers are designated as F & J as indicated below. These two (2) transformers represent excess facilities and in consideration of the Company's investment in excess facilities and the expense incurred in owning, operating and maintaining the same, Customer agrees to pay the Company a monthly facility charge of [REDACTED] for the excess investment and expense incurred by Company. (The excess investment is hereby agreed to be [REDACTED]) The facility charge rate is subject to change from time to time, but not more often than once a year based on Company's related cost factors. The base on which the facility charges is calculated is subject to change with a corresponding change in the current value of any covered units of capital in the event of a required replacement of major components. This charge shall be in addition to all other sums due under this contract.

**Contract Demand:** Should Customer desire to increase Contract Demand to the levels prescribed below, the excess Facility Charges shall be adjusted as follows:

1. Customer may upon 30 days written notice to the Company increase Contract Demand to [REDACTED] kW at which time billing for Facility Charge #1 shall be reduced to [REDACTED] on an excess investment hereby agreed to be [REDACTED]
2. Customer may upon 30 days written notice to the Company increase Contract Demand to [REDACTED] kW at which time billing for Facility Charge #1 shall cease.
3. Customer may upon 30 days written notice to the Company increase Contract Demand to [REDACTED] kW at which time billing for Facility Charge #2 shall cease.



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**Coincidental Peak Billing:** The monthly billing shall be on one account, based on the arithmetic sum of energy, and the coincidental peak demand as recorded at the eight (8) metering points during each billing period.

6. Section II., Special Conditions as set forth in the Original Contract is further amended by inserting after the "Distribution Facility Protection" provision the following additional provisions:

**Service Facilities:**

Service was originally provided from five (5) Company-owned padmounted transformers as follows:

<u>Number</u>	<u>Capacity</u>	<u>Voltage</u>
Five (5)	2,500 kVA	23 kV to 480 Volts

These transformers were in service and were designated as Transformers A through E. Company has removed Transformer A and returned it to Company's stock. Company has relocated Transformers B & C to locations specified by the Customer and re-designated them as Transformers I & H. There will no longer be transformers designated as A, B or C. Transformers D & E will remain as originally installed.

Two (2) additional 2,500 kVA (23 kV to 480 Volts) transformers are being installed and will be designated as Transformers F & J.

Two (2) additional 2,000 kVA (23 kV to 480 Volts) transformers are being installed and will be designated as Transformers G & K.

At the conclusion of all changes the following will be in place:

<u>Capacity</u>	<u>Voltage</u>	<u>Designation</u>
2,500 kVA	23 kV to 480 Volts	D
2,500 kVA	23 kV to 480 Volts	E
2,500 kVA	23 kV to 480 Volts	F
2,000 kVA	23 kV to 480 Volts	G
2,500 kVA	23 kV to 480 Volts	H
2,500 kVA	23 kV to 480 Volts	I
2,500 kVA	23 kV to 480 Volts	J
2,000 kVA	23 kV to 480 Volts	K

The Customer's requirements for the transformer designated as J would have been met by Company having installed a 2,000 kVA transformer. Company elected to install an available 2,500 kVA transformer.



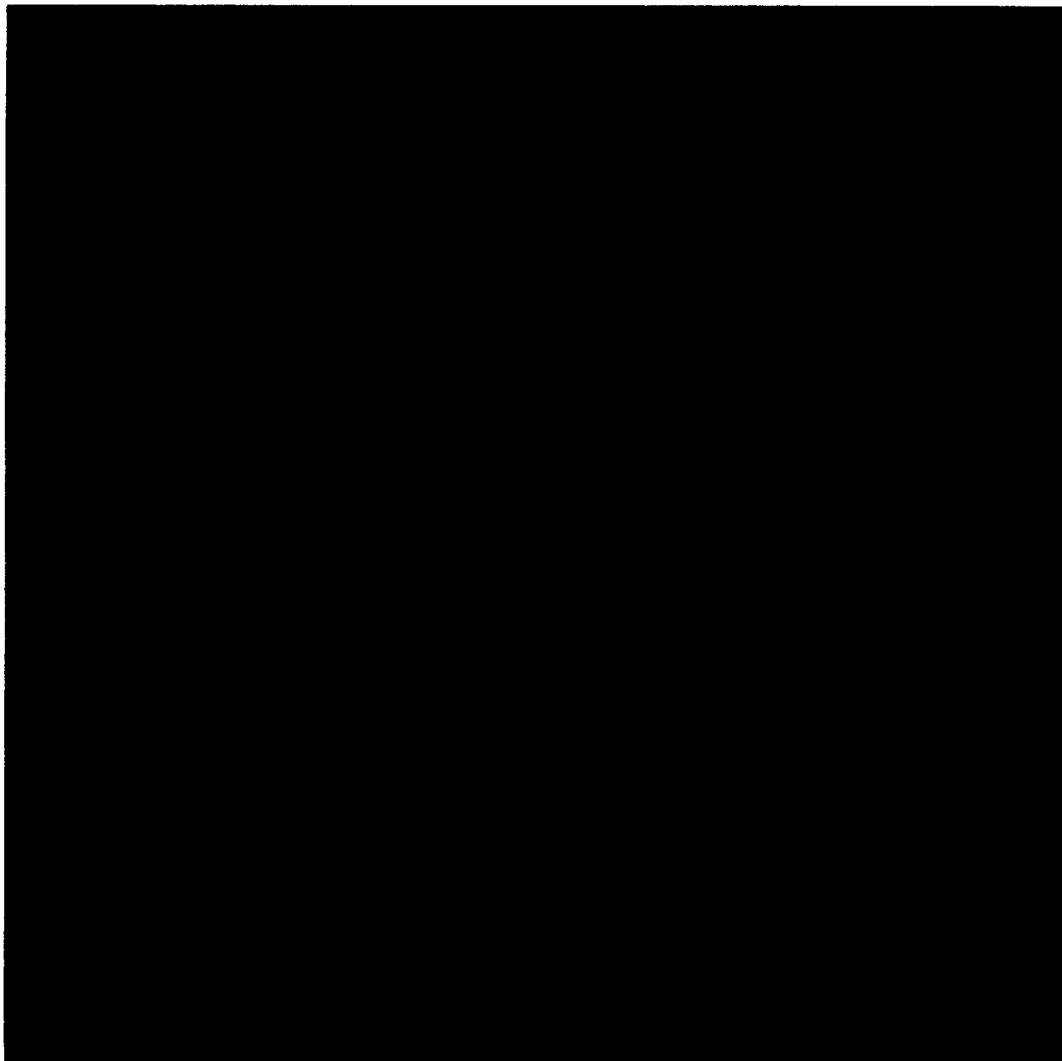
FIRST AMENDMENT TO  
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**Equipment In-Service Date:**

The Equipment In-Service Date shall be defined as the date when Customer notifies the Company that the manufacturing equipment for the Expansion Load has been installed and is operational, or January 1, 2014, whichever occurs first.



The standard 6-month build up period shall apply beginning with the Equipment In-Service Date.

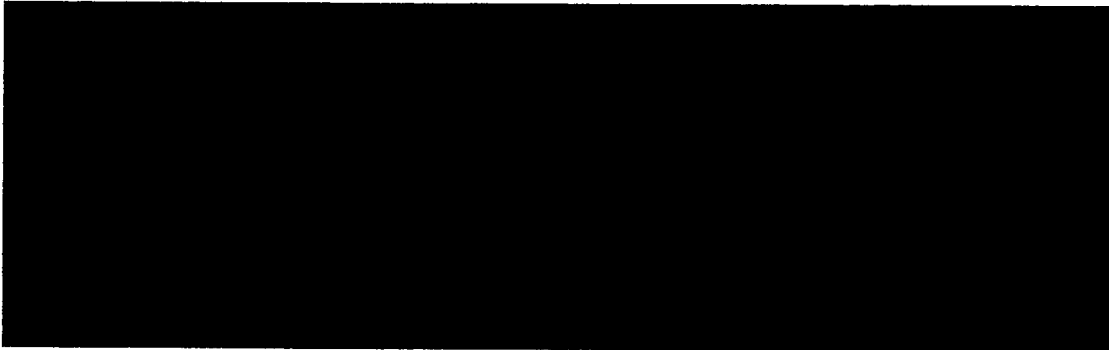




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**Expansion Load:**

Beginning with the Equipment In-Service Date, the Expansion Load will be determined as the amount by which the coincidental monthly peak demand exceeds the coincidental peak demand for the 12 month period beginning July 2010 through June 2011 as indicated below.



**Termination Charge:**

**Years 1 through 10: Initial Term**

Should the Customer elect to terminate this contract during the first five (5) years of the initial ten (10) year term of this First Amendment, the Customer agrees to pay to the Company a termination charge equal to the sum of the following:

1. The demand termination charge as described in the Standard Conditions attached hereto. AND
2. An additional termination charge shall be payable to the Company by the Customer should termination occur during the first five (5) years of this First Amendment. The Additional Termination Charge shall be sixty (60) months less the number of months of service under this First Amendment multiplied by [REDACTED] per month.

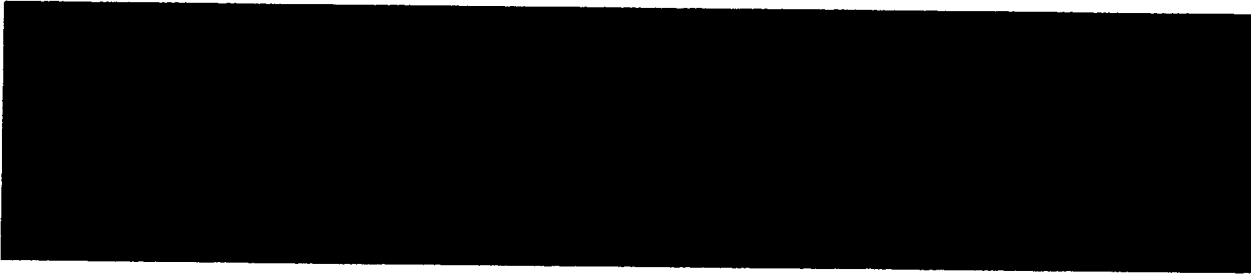
**Year 10 and forward**

Should Customer elect to give the Company a Minimum Notice of Termination after the ten (10) year initial term of this First Amendment, Customer shall pay to the Company a termination charge equal to the demand termination charge as described in the Standard Conditions attached hereto.

The Facilities Termination Charge prescribed in the Termination provision of the Contract shall apply regardless of the year in which it occurs and shall be in addition to any termination charges prescribed above.



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8. The Customer agrees to support the Company in its request to the Public Service Commission of South Carolina ("Commission") to protect the confidential information contained within this Contract. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission and the Customer agrees to support the Company in its request to the Commission seeking approval of the Contract.

9. Company and Customer hereby agree to keep the terms of this Contract confidential. Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Contract to a third party except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; or (iii) to its employees, lenders, counsel, accountants and other agents on a need-to-know basis for the analysis of business issues related to this Contract, provided such persons shall have agreed to keep such terms confidential. The existence of this Contract is not confidential.

Except as modified by this First Amendment, the Original Contract is ratified and confirmed in all respects.

IN WITNESS WHEREOF, Company and Customer have executed this First Amendment effective as of the day and year first above written.

KOYO CORPORATION OF U.S.A.

By: [Signature]

Print Name: DAVID GREEN

Its: EHS COORDINATOR/EE

Date: 12/17/13

South Carolina Electric & Gas Company

By: [Signature]

Print Name: William G. Watkins

Its: Manager - Large Customer Accounts & Services

Date: 12/18/13

REVIEWED BY LEGAL  ELH  12/18/13
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